

# BSD & Co.

Chartered Accountants

Branch Office Delhi: 810, 8th Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi-110001(Delhi)  
Tel. : 011-43029888, Email id: delhi@bsdgroup.in website : www.bsdgroup.in

## INDEPENDENT AUDITORS' REPORT

To The Members of  
Primordial Buildcon Private Limited

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Primordial Buildcon Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss, the Statement of changes in Equity and statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.





### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and analysis, Board's Report including Annexures to Board's Report, Business Responsibility report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this Auditor report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

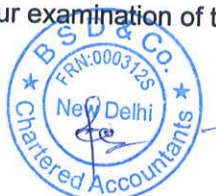
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.





- c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us no remuneration was paid by the company to its directors during the year.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There are no pending litigation requiring disclosure of its impact on financial position in its financial statements.
  - ii. There are no material foreseeable losses on long term contracts including derivative contracts requiring provision.
  - iii. There are no amounts, required to be transferred, to the investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **B S D & Co.**

Chartered Accountants

Firm Registration No. 000312S


**Prakash Chand Surana**

Partner

Membership No. 010276

UDIN: 20010276AAAAEJ1037

Place: New Delhi

Date: 25<sup>th</sup> July 2020

**Annexure I to Auditors' Report the annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31<sup>st</sup> March 2020, we report that:**

- i. The Company does not have any Fixed Assets.
- ii. The inventory includes Project in progress and completed real estate projects. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies was noticed during such physical verification.
- iii. According to the information and explanation given to us, during the year the Company has not granted any loans, secured or unsecured to companies, firm, or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us and on the basis of our examination of the records of the company, in respect of statutory dues:
  - a. Amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee state insurance, income tax, duty of customs, Cess, Goods and Service Tax (GST) and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities.
  - b. No undisputed amounts payable in respect of provident fund, employees' state insurance, income Tax, duty of customs, Cess, Goods & Service Tax (GST) and other material statutory dues were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.
  - c. There are no material dues of income tax, duty of custom, or duty of excise, or value added tax, Cess or Goods & Service Tax (GST) which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from any banks and financial institutions. There are no debenture holders.
- ix. According to the information and explanations given to us, no term loan was taken and no money was raised by way of initial public offer or further public offer [including debt instruments] by the Company. Hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, no managerial remuneration has been paid or provided during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.





- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For B S D & Co.**  
Chartered Accountants  
**Firm Registration No. 000312S**


**Prakash Chand Surana**  
Partner  
Membership No. 010276  
UDIN: 20010276AAAAEJ1037

**Place:** New Delhi  
**Date:** 25<sup>th</sup> July 2020

## **Annexure II to Independent Auditors' Report**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Primordial Buildcon Private Limited of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Primordial Buildcon Private Limited** ("the Company") as at 31st March 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and





- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S D & Co.**  
Chartered Accountants  
**Firm Registration No. 000312S**


**Prakash Chand Surana**  
Partner  
Membership No. 010276  
UDIN: **20010276AAAAEJ1037**

**Place:** New Delhi  
**Date:** 25<sup>th</sup> July 2020



## Primordial Buildcon Private Limited

Regd. Office: 10, Local Shopping Complex, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2004PTC130453

### Balance Sheet as at March 31, 2020

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Other Non Current Assets	1	88,475.73	-
		<b>88,475.73</b>	-
<b>Current Assets</b>			
a) Inventories	2	5,740,418.52	6,393,458.61
b) Financial Assets			
i) Trade Receivables	3	-	3,097,701.50
ii) Cash and Cash Equivalents	4	48,916.14	45,368.10
c) Other Current Assets	5	93,414,189.99	94,552,810.18
		<b>99,203,524.65</b>	104,089,338.39
<b>TOTAL ASSETS</b>		<b>99,292,000.38</b>	104,089,338.39
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	6	500,000.00	500,000.00
b) Other Equity		96,317,226.99	96,312,825.33
		<b>96,817,226.99</b>	96,812,825.33
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Deferred Tax Liabilities(Net)	7	426,720.00	477,988.00
		<b>426,720.00</b>	477,988.00
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Other Financial Liabilities	8	17,670.00	18,000.00
b) Other Current Liabilities	9	1,959,747.39	5,704,014.06
c) Current tax Liabilities(net)	10	70,636.00	1,076,511.00
		<b>2,048,053.39</b>	6,798,525.06
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>99,292,000.38</b>	104,089,338.39
Significant accounting policies	A		

The note nos. 1-29 form an integral part of financial statements.

As per our report of even date attached

For and on behalf of

**B S D & Co.**

Chartered Accountants

Regn. No. 000312S



Prakash Chand Surana

Partner

M.No. 010276

UDIN: 20010276 AAAAEJ1037

Place : New Delhi

Date : 25 JUL 2020

For and on behalf of the Board of Directors

Kusum Lata

(Director)

DIN: 06831154

Ravi Chauhan

(Director)

DIN: 07434887

# Primordial Buildcon Private Limited

Regd. Office: 10, Local Shopping Complex, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2004PTC130453

## Statement of Profit and Loss for the year ended March 31,2020

(Amount in Rupees)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>REVENUE</b>			
Revenue from operations	11	726,271.60	6,764,936.72
Other Income	12	297,145.25	(1,279,353.18)
<b>TOTAL INCOME</b>		<b>1,023,416.85</b>	5,485,583.54
<b>EXPENSES</b>			
Cost of material consumed, construction and other related project cost	13	25,350.89	76,729.41
Change in inventories of project in progress	14	653,040.09	714,079.70
Finance cost	15	25.96	3,545.90
Other Expenses	16	44,860.00	38,974.00
<b>TOTAL EXPENSES</b>		<b>723,276.94</b>	833,329.01
<b>Profit Before Tax</b>		<b>300,139.91</b>	4,652,254.53
Tax expense	17	100,525.00	1,089,539.00
<b>Profit for the year</b>		<b>199,614.91</b>	3,562,715.53
<b>Other comprehensive Income</b>		-	-
Tax on above items		-	-
<b>Total other comprehensive Income</b>		-	-
<b>Total comprehensive Income for the year</b>		<b>199,614.91</b>	3,562,715.53
Earnings per equity share			
Basic & diluted (Face value of Rs. 10 each)	18	3.99	71.25
Significant accounting policies	A		

The note nos. 1-29 form an integral part of financial statements.

As per our report of even date attached

For and on behalf of

**B S D & Co.**

Chartered Accountants

Regn. No. 000312S



**Prakash Chand Surana**

Partner

M.No. 010276

UDIN: 20010276 AAAAEJ1037

Place : New Delhi

Date : 25 JUL 2020

For and on behalf of the Board of Directors

**Kusum Lata**

(Director)

DIN: 06831154

**Ravi Chauhan**

(Director)

DIN: 07434887



**Primordial Buildcon Private Limited**

Regd. Office: 10, Local Shopping Complex, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2004PTC130453

**Statement of Changes in Equity for the Year Ended March 31,2020**

**A. Equity Share Capital**

Particulars	Numbers		Amount in Rupees
Balance as at 1 April 2018			
Changes in equity share capital during 2018-19	50,000		500,000.00
<b>Balance as at 31 March 2019</b>	<b>50,000</b>		<b>500,000.00</b>
Balance as at 1 April 2019			
Changes in equity share capital during 2019-20	50,000		500,000.00
<b>Balance as at 31 March 2020</b>	<b>50,000</b>		<b>500,000.00</b>

**B. Other Equity**

Description	(Amount in Rupees)			
	Attributable to owners of Primordial Buildcon Private Limited			
	Retained Earnings	Capital Reserve	Other comprehensive Income	Total Other Equity
Balance as at 1 April 2018	93,047,794.89	1,146,558.90	-	94,194,353.79
Profit for the year	3,562,715.53	-	-	3,562,715.53
Add: Transfer from deferred tax liabilities( refer Note.7)	-	(274,838.00)	-	(274,838.00)
Less: Transfer to Other Income( refer Note.20)	-	1,311,853.18	-	1,311,853.18
Less: Transitional impact of adoption of Ind AS 115	(2,481,259.18)	-	-	(2,481,259.18)
<b>Balance as at 31 March 2019</b>	<b>94,129,251.24</b>	<b>2,183,574.08</b>	<b>-</b>	<b>96,312,825.33</b>
Balance as at 1 April 2019	94,129,251.24	2,183,574.08	-	96,312,825.33
Profit/(loss) for the year	199,614.91	-	-	199,614.91
Add: Transfer from deferred tax liabilities( refer Note.7)	-	51,268.00	-	51,268.00
Less: Transfer to Other Income( refer Note.20)	-	(246,481.25)	-	(246,481.25)
<b>Balance as at 31 March 2020</b>	<b>94,328,866.15</b>	<b>1,988,360.84</b>	<b>-</b>	<b>96,317,226.99</b>

The notes referred to above form an integral part of financial statements.

As per our audit report of even date attached

For and on behalf of

**B S D & Co.**

Chartered Accountants

Rehn. No. 000312S



**Prakash Chand Surana**

Partner

M.No. 010276

UDIN: 20010276AAAAEJ1037

Place: New Delhi

Date: 25 JUL 2020

For and on behalf of board of directors

  
**Kusum Lata**  
(Director)  
DIN: 06831154

  
**Ravi Chauhan**  
(Director)  
DIN: 07434887

**Primordial Buildcon Private Limited**

Regd. Office: 10, Local Shopping Complex, Kalkaji, New Delhi-110019  
Corporate Identity Number : U45201DL2004PTC130453

**Cash flow statement for the year ended March 31,2020**

Particulars	(Amount in Rupees)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit for the year before tax	300,139.91	4,652,254.53
Adjustment for:		
Finance cost	29,876.85	80,275.31
Transfer from capital reserve	-246,481.25	1,311,853.18
<b>Operating profit/(loss) before working capital changes</b>	<b>83,535.51</b>	<b>6,044,383.02</b>
<b>Adjustments for working capital</b>		
Other Non-Current Assets	(88,475.73)	29,850.89
Inventories	653,040.09	714,079.70
Trade Receivables	3,097,701.50	(2,197,487.84)
Other current Assets	1,138,620.19	(1,003,648.29)
Current Other Financial Liabilities	(330.00)	(5,450.00)
Other current liabilities	(3,744,266.67)	(3,416,922.08)
	<b>1,056,289.38</b>	<b>(5,879,577.61)</b>
<b>Cash (used in)/generated from operating activities</b>	<b>1,139,824.90</b>	<b>164,805.41</b>
Direct taxes paid	(1,106,400.00)	(83,110.00)
<b>Net cash (used in) / generated from operating activities</b>	<b>33,424.90</b>	<b>81,695.41</b>
<b>B. Cash flow from investing activities</b>	-	-
<b>C. Cash flow from financing activities</b>		
Finance charge paid	(29,876.85)	(80,275.31)
<b>Net Cash (used in)/generated from financing activities</b>	<b>(29,876.85)</b>	<b>(80,275.31)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>3,548.05</b>	<b>1,420.10</b>
<b>Opening balance of cash and cash equivalents</b>	<b>45,368.10</b>	<b>43,948.00</b>
<b>Closing balance of cash and cash equivalents(refer note no. 4)</b>	<b>48,916.14</b>	<b>45,368.10</b>

(Amount in Rupees)		
FOR THE YEAR ENDED	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	5,979.00	4,239.00
Balance with banks	42,937.14	41,129.10
<b>Cash and cash equivalents at the end of the year</b>	<b>48,916.14</b>	<b>45,368.10</b>

(Amount in Rupees)		
RECONCILIATION STATEMENT OF CASH AND BANK BALANCE		
FOR THE YEAR ENDED	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Cash and cash equivalents at the end of the year as per above	48,916.14	45,368.10
<b>Cash and bank balance as per balance sheet (refer note 4 )</b>	<b>48,916.14</b>	<b>45,368.10</b>

As per our report of even date attached

For and on behalf of  
**B S D & Co.**  
Chartered Accountants  
Regn. No. 000312S

Prakash Chand Surana  
Partner  
M.No. 010276

UDIN: 20010276AAAAEJ1037  
Place : New Delhi  
Date : 25 JUL 2020



For and on behalf of the Board of Directors

Kusum Lata  
(Director)  
DIN: 06831154

Ravi Chauhan  
(Director)  
DIN: 07434887



## Primordial Buildcon Private Limited

Regd. Office: 10, Local Shopping Complex, Kalkaji, New Delhi-110019

Corporate Identity Number : U45201DL2004PTC130453

### A. Significant accounting policies

#### 1. Corporate information

Primordial Buildcon Private Limited ("The Company") is a subsidiary company of Omaxe Limited. Registered address of the Company is 10, Local Shopping Complex, Kalkaji, New Delhi-110019.

The company is into the Real Estate Business.

#### 2. Significant accounting policies

##### I) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') issued by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the accounting policies during the period presented.

##### ii) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

##### (a) Real estate projects

The company derives revenue from execution of real estate projects. Revenue from Real Estate project is recognised in accordance with Ind AS 115 which establishes a comprehensive framework in determining whether how much and when revenue is to be recognised.

Revenue from real estate projects are recognised upon transfer of control of promised real estate property to customer at an amount that reflects the consideration which the company expects to receive in exchange for such booking and is based on following 6 steps :

##### 1. Identification of contract with customers

The company accounts for contract with a customer only when all the following criteria are met:

- Parties (i.e. the company and the customer) to the contract have approved the contract (in writing, orally or in accordance with business practices) and are committed to perform their respective obligations.
- The company can identify each customer's right regarding the goods or services to be transferred.
- The company can identify the payment terms for the goods or services to be transferred.
- The contract has commercial substance (i.e. risk, timing or amount of the company's future cash flow is expected to change as a result of the contract) and
- It is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Consideration may not be the same due to discount rate etc.

##### 2. Identify the separate performance obligation in the contract:-

Performance obligation is a promise to transfer to a customer:

- Goods or services or a bundle of goods or services i.e. distinct or a series of goods or services that are substantially the same and are transferred in the same way.
- If a promise to transfer goods or services is not distinct from goods or services in a contract, then the goods or services are combined in a single performance obligation.
- The goods or services that is promised to a customer is distinct if both the following criteria are met:
  - The customer can benefit from the goods or services either on its own or together with resources that are readily available to the customer ( i.e. The goods or services are capable of being distinct) and
  - The company's promise to transfer the goods or services to the customer is separately identifiable from the other promises in the contract i.e The goods or services are distinct within The context of the contract.

##### 3. Satisfaction of the performance obligation:-

The company recognizes revenue when (or as) the company satisfies a performance obligation by transferring a promised goods or services to the customer.

The real estate properties are transferred when (or as) the customer obtains control of Property.

##### 4 Determination of transaction price:-

The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to customer excluding GST.

The consideration promised in a contract with a customer may include fixed amount, variable amount or both. In determining transaction price, the company assumes that goods or services will be transferred to the customer as promised in accordance with the existing contract and the contract can't be cancelled, renewed or modified



A handwritten signature in blue ink, appearing to be "Amit", written over a horizontal line.

A handwritten signature in blue ink, appearing to be "R", written over a horizontal line.

5 Allocating the transaction price to the performance obligation:-

The allocation of the total contract price to various performance obligation are done based on their standalone selling prices, the stand alone selling price is the price at which the company would sell promised goods or services separately to the customers.

6. Recognition of revenue when (or as) the company satisfies a performance obligation:

Performance obligation is satisfied over time or at a point in time

Performance obligation is satisfied over time if one of the criteria out of the following three is met:

- The customer simultaneously receives and consumes a benefit provided by the company's performance as the company performs.
- The company's performance creates or enhances an asset that a customer controls as asset is created or enhanced or
- The company's performance doesn't create an asset within an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

Therefore the revenue recognition for a performance obligation is done over time if one of the criteria is met out of the above three else revenue recognition for a performance obligation is done at point in time.

The company disaggregate revenue from real estate projects on the basis of nature of revenue.

#### (b) Interest Income

Interest due on delayed payments by customers is accounted on accrual basis.

#### (c) Dividend income

Dividend income is recognized when the right to receive the payment is established.

#### iii) Inventories and Projects in progress

##### a) Inventories

Completed real estate project for sale and trading stock are valued at lower of cost or net realizable value. Cost includes cost of land, materials, construction, services and other related overheads.

##### (b) Projects in progress

Projects in progress are valued at lower of cost or net realisable value. Cost includes cost of land, development rights, materials, construction, services, borrowing costs and other overheads relating to projects.

#### iv) Impairment of Non Financial Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

#### v) Financial Instruments

##### a) Financial Assets

##### Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

##### Subsequent measurement

(1) Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the Principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

##### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### b) Financial liabilities

##### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

##### Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.



A handwritten signature in blue ink, appearing to be "Ants", with a long horizontal line extending to the right.

A handwritten signature in blue ink, appearing to be "A", with a long horizontal line extending to the right.



### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or on the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 23 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### vi) Provisions, contingent assets and contingent liabilities

A provision is recognized when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### vii) Earnings per share

Basic earnings per share are calculated by dividing the Net Profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the Net Profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity share.

### viii) Income Tax

i. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

ii. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### ix) Significant management judgement in applying accounting policies and estimation of uncertainty

#### Significant management judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets & liabilities. In Considering the assessment, the company has considered internal information and is highly dependent on estimates and circumstances as they evolve.

#### (a) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

#### Estimation of uncertainty

##### (a) Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

##### (b) Provisions

At each balance sheet date on the basis of management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

##### (c) Inventories

Inventory is stated at the lower of cost or net realisable value (NRV).

NRV for completed inventory is assessed including but not limited to market conditions and prices existing at the reporting date and is determined by the Company based on net amount that it expects to realise from the sale of inventory in the ordinary course of business

NRV in respect of inventories under construction is assessed with reference to market prices (by referring to expected or recent selling price) at the reporting date less estimated costs to complete the construction, and estimated cost necessary to make the sale. The costs to complete the construction are estimated by management

##### (d) Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument / assets.

Management bases its assumptions on observable data as far as possible but this may not always be available. In that case Management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date

##### (e) Classification of assets and liabilities into current and non-current

The Management classifies assets and liabilities into current and non-current categories based on its operating cycle.



**1. OTHER NON CURRENT ASSETS**

Particulars	(Amount in Rupees)	
	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	88,475.73	-
	88,475.73	-

**2. INVENTORIES**

Particulars	(Amount in Rupees)	
	As at March 31, 2020	As at March 31, 2019
Completed real estate projects	1,042,694.71	721,197.32
Project in progress	4,697,723.80	5,672,261.29
	5,740,418.52	6,393,458.61

**3. TRADE RECEIVABLES**

Particulars	(Amount in Rupees)	
	As at March 31, 2020	As at March 31, 2019
(Unsecured)		
Considered Good	-	3,097,701.50
	-	3,097,701.50

**4. CASH AND CASH EQUIVALENTS**

Particulars	(Amount in Rupees)	
	As at March 31, 2020	As at March 31, 2019
<b>Balance with Banks</b>		
-In Current Accounts	42,937.14	41,129.10
Cash on hand	5,979.00	4,239.00
	48,916.14	45,368.10

**5. OTHER CURRENT ASSETS**

Particulars	(Amount in Rupees)	
	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered good unless otherwise stated)		
Prepaid commission	138,944.27	29,850.89
<b>Advance against goods, services and others:</b>		
Holding Company namely Omaxe Limited	93,275,245.72	94,522,959.29
	93,414,189.99	94,552,810.18



*[Handwritten signature]*

*[Handwritten signature]*



## 6. EQUITY SHARE CAPITAL

(Amount in Rupees)

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Authorised</b>		
50,000 (50,000) Equity Shares of Rs.10 each	500,000.00	500,000.00
	500,000.00	500,000.00
<b>Issued, subscribed &amp; paid up</b>		
50,000 (50,000) Equity Shares of Rs.10 each fully paid up	500,000.00	500,000.00
	500,000.00	500,000.00

Figures in brackets represent those of the previous year.

### 6.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
<b>Equity Shares of Rs 10 each fully paid up</b>				
Shares outstanding at the beginning of the year	50,000	500,000.00	50,000	500,000.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000.00	50,000	500,000.00

### 6.2 Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10/-per share. Each holder of equity shares is entitled to one vote per share. If new equity shares, issued by the company shall be ranked pari-passu with the existing equity shares. The company declares and pays dividend in Indian rupees. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any in proportion to the number of equity shares held by the share holders.

### 6.3 Shares held by holding / Ultimate holding company and / or their subsidiaries and associates

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Number of Shares held	Amount	Number of Shares held	Amount
<b>Holding Company</b>				
Omace Limited	50,000	500,000.00	50,000	500,000.00
	50,000	500,000.00	50,000	500,000.00

### 6.4 Detail of shareholders holding more than 5% shares in equity capital of the company

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Number of Shares held	% Holding	Number of Shares held	% Holding
<b>Holding Company</b>				
Omace Limited	50,000	100.00	50,000	100.00

The aforesaid disclosure is based upon percentages computed as at the balance sheet date. As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

6.5 The company has not reserved any shares for issue under options and contracts / commitments for the sale of shares / disinvestment.

6.6 The company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash and has neither allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.



*[Handwritten signature]*

*[Handwritten initials]*

**7. DEFERRED TAX LIABILITIES (NET)**

The movement on deferred tax account is as follows:

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
At the Start of the Year	477,988.00	203,150.00
Less: Transfer to Capital Reserve	51,268.00	(274,838.00)
At the end of the Year	426,720.00	477,988.00

**Component of deferred tax liabilities/(Assets) :**

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
On Account of conversion of fixed asset into stock in trade	426,720.00	477,988.00
	426,720.00	477,988.00

**8. CURRENT OTHER FINANCIAL LIABILITIES**

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
Audit fee payable	10,000.00	10,000.00
Other payables	7,670.00	8,000.00
	17,670.00	18,000.00

**9. OTHER CURRENT LIABILITIES**

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers & others	1,959,747.39	5,704,014.06
	1,959,747.39	5,704,014.06

**10. CURRENT TAX LIABILITIES (NET)**

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax liability	70,636.00	1,076,511.00
	70,636.00	1,076,511.00



*[Handwritten signature]*

*[Handwritten signature]*



**11. REVENUE FROM OPERATIONS**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from real estate projects	726,271.60	6,764,936.72
	726,271.60	6,764,936.72

**12. OTHER INCOME**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Transfer from capital reserve(refer note no 20)	246,481.25	(1,311,853.18)
Miscellaneous Income	50,664.00	32,500.00
	297,145.25	(1,279,353.18)

**13. COST OF MATERIAL CONSUMED, CONSTRUCTION & OTHER RELATED PROJECT COST**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Inventories at the beginning of the year</b>		
Land	-	-
<b>Add: Cost incurred during the year</b>		
Land approval and other charges	(4,500.00)	-
Finance cost allocated to project	29,850.89	76,729.41
	25,350.89	76,729.41
<b>Less : Inventories at the end of the year</b>		
Land	-	-
	-	-
	25,350.89	76,729.41



**14. CHANGES IN INVENTORIES OF PROJECT IN PROGRESS**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Inventory at the beginning of the year</b>		
Completed real estate projects	721,197.32	-
Project in progress	5,672,261.29	7,107,538.31
	<b>6,393,458.61</b>	7,107,538.31
<b>Less: Inventory at the close of the year</b>		
Completed real estate projects	1,042,694.71	721,197.32
Project in progress	4,697,723.80	5,672,261.29
	<b>5,740,418.52</b>	6,393,458.61
	<b>653,040.09</b>	714,079.70

**15. FINANCE COST**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank guarantee commission	29,850.89	76,729.41
Bank Charges	25.96	3,545.90
	<b>29,876.85</b>	80,275.31
Less: allocated to projects	29,850.89	76,729.41
	<b>25.96</b>	3,545.90

**16. OTHER EXPENSES**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Administrative Expenses</b>		
Short Term Lease	18,052.00	18,054.00
Rates and taxes	4,000.00	2,800.00
Legal & professional charges	11,008.00	8,120.00
Statutory audit fee	11,800.00	10,000.00
	<b>44,860.00</b>	38,974.00

**17. INCOME TAX**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Tax expenses comprises of :</b>		
Current Income Tax	70,636.00	1,076,511.00
Earlier years tax adjustment	29,889.00	13,028.00
	<b>100,525.00</b>	1,089,539.00

The major component of income tax expenses and the reconciliation of expected tax expenses based on the domestic effective tax rate of company and reported tax expense in statement of profit and loss are as follows :

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting Profit before tax	300,139.91	4,652,254.53
Adjustment of Ind AS 115 and amount transfer from capital reserve	(246,481.25)	(820,308.90)
Applicable tax rate	25.17%	26.00%
Computed tax expenses	13,506.00	996,306.00
Other	57,130.00	80,205.00
<b>Current Tax Provisions(A)</b>	<b>70,636.00</b>	1,076,511.00
Adjustments recognised in current year in relation to current tax of prior years (B)	29,889.00	13,028.00
<b>Tax Provisions(A+B)</b>	<b>100,525.00</b>	1,089,539.00





**18. EARNINGS PER SHARE**

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) after tax (in Rupees)	199,614.91	3,562,715.53
Numerator used for calculating basic and diluted earnings per share	199,614.91	3,562,715.53
Equity shares outstanding as at the year end	50,000	50,000
Weighted average number of shares used as denominator for calculating basic & diluted earnings per share	50,000	50,000
Nominal value per share (in Rupees)	10.00	10.00
Basic & diluted earnings per share (in Rupees)	3.99	71.25

**19. CONTINGENT LIABILITIES & COMMITMENTS**

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Bank gaurantee</b> - In favour of Director, Town & Country Planning, Chandigarh given by holding company namely Omaxe Limited	5,683,000.00	5,683,000.00

20. Pursuant to section 45(2) of Income tax Act, 1961, capital profit amounting to Rs. 6,50,63,474/- (net of deferred tax liability of Rs. 1,49,87,951/-) arising on account of conversion of fixed asset into stock in trade had earlier been credited to capital reserve. Out of said capital profit, an amount of Rs. 2,46,481.25 (PY Rs. -13,11,853.18) has been taken to statement of profit and loss to the extent of stock sold / transferred during the year by reducing capital reserve and deferred tax liability.

**21. SEGMENT REPORTING**

In line with the provisions of Ind AS 108 - Operating Segments and on the basis of review of operations being done by the management of the company, the operations of the company falls under real estate business, which is considered to be the only reportable segment by management.



**NOTE 22 : FAIR VALUE MEASUREMENTS**

**(i) Financial Assets by category**

(Amount in Rupees)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>Financial Assets</b>			
<b>At Amortised cost</b>			
<b>Current</b>			
Trade Receivables	3	-	3,097,701.50
Cash and Cash Equivalents	4	48,916.14	45,368.10
<b>Total Financial Assets</b>		<b>48,916.14</b>	<b>3,143,069.60</b>
<b>Financial Liabilities</b>			
<b>At Amortised cost</b>			
<b>Current Liabilities</b>			
Other Financial Liabilities	8	17,670.00	18,000.00
<b>Total Financial Liabilities</b>		<b>17,670.00</b>	<b>18,000.00</b>

**(ii) Fair value of financial assets and liabilities measured at amortised cost**

(Amount in Rupees)

	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
<b>Current Assets</b>				
Trade Receivables	-	-	3,097,701.50	3,097,701.50
Cash and Cash Equivalents	48,916.14	48,916.14	45,368.10	45,368.10
<b>Total Financial Assets</b>	<b>48,916.14</b>	<b>48,916.14</b>	<b>3,143,069.60</b>	<b>3,143,069.60</b>
<b>Financial Liabilities</b>				
<b>Current Liabilities</b>				
Other Financial Liabilities	17,670.00	17,670.00	18,000.00	18,000.00
<b>Total Financial Liabilities</b>	<b>17,670.00</b>	<b>17,670.00</b>	<b>18,000.00</b>	<b>18,000.00</b>

For short term financial assets and liabilities carried at amortized cost, the carrying value is reasonable approximation of fair value.



*[Handwritten signature]*

*[Handwritten signature]*



**NOTE 23 :RISK MANAGEMENT**

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**Credit risk management****Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

The company provides for expected credit loss based on the following:

Credit risk	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances and Investments	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the statement of profit and loss.

Credit rating	Particulars	(Amount in Rupees)	
		As at 31 March 2020	As at 31 March 2019
A: Low credit risk	Cash and cash equivalents	48,916.14	45,368.10
B: Moderate credit risk	Trade Receivables and other financial assets	-	3,097,701.50

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the financial liabilities into relevant maturity pattern based on their contractual maturities.

Particulars	(Amount in Rupees)					Total	Carrying Amount
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years			
<b>As at 31 March 2020</b>							
Other Financial Liabilities	17,670.00	-	-	-	-	17,670.00	17,670.00
<b>Total</b>	<b>17,670.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,670.00</b>	<b>17,670.00</b>
<b>As at 31 March 2019</b>							
Other Financial Liabilities	18,000.00	-	-	-	-	18,000.00	18,000.00
<b>Total</b>	<b>18,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,000.00</b>	<b>18,000.00</b>

**Note 24 : CAPITAL MANAGEMENT POLICIES**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.



*[Handwritten signature]*

*[Handwritten signature]*

**Note 25:** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The management of the Company have made its own assessment of impact of the outbreak of COVID-19 on business operations of the Company and have concluded that no adjustments are required to be made in the financial statement as it does not impact current financial year. However, the situation with COVID-19 is still evolving. Also the various preventive measures taken by Government of India are still in force leading to highly uncertain economic environment. Due to these circumstances, the management's assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve. The Company continues to monitor the impact of COVID-19 on its business including its impact on customer, associates, contractors, vendors etc.

**Note 26 :** Short term Lease Payment debited to statement of profit and loss Account Rs. 18,052/- Pertaining to short term lease arrangement for a period of less than one year.

## 27. RELATED PARTIES DISCLOSURES

### A. Name of related parties

1. Guild Builders Private Limited (ultimate holding company)
2. Omaxe Limited (holding company)

### B. Summary of transactions with related parties are as under

(Amount in Rupees)			
Transactions	As on	Omaxe Limited (holding company)	Total
Amount Received/Adjusted (net)	March 31,2020	1,247,713.57	1,247,713.57
	March 31,2019	(-10,50,526.81.00)	(-10,50,526.81.00)
<b>Balances Outstanding</b>			
Balance Receivables	March 31,2020	93,275,245.72	93,275,245.72
	March 31,2019	(94,522,959.29)	(94,522,959.29)
Bank Guarantee	March 31,2020	5,683,000.00	5,683,000.00
	March 31,2019	(5,683,000.00)	(5,683,000.00)

Figures in bracket represent those of the previous year.

### Note 28: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standard or amendment there to. There is no such notification which would have been made applicable from 01.04.2020.

29. The company has regrouped / reclassified previous year figures where necessary to conform with current year's classification.

The note nos. 1-29 referred to above form an integral part of financial statements.

### As per our report of even date attached

For and on behalf of

**B S D & Co.**

Chartered Accountants

Regn. No. 000312S

**Prakash Chand Surana**

Partner

M.No. 010276



For and on behalf of the Board of Directors

*[Signature]*

**Kusum Lata**

(Director)

DIN: 06831154

*[Signature]*

**Ravi Chauhan**

(Director)

DIN: 07434887

UDIN: 20010276AAAAEJ1037

Place : New Delhi

Date : 25 JUL 2020